00099

1954/12/20

CONFIDENTIAL

20 Dec 54

~~TDA~~

Return to Fishel

MEMORANDUM TO AMBASSADOR COLLINS

FROM: Wesley R. Fishel

SUBJECT: Conversation with President Diem re the Sects

1. The President informed me at 2200 19 Dec that he had been "authoritatively informed" by ex-Secretary of State for Defense CHAN of BA CUT's terms for rallying to the Government and ending the current fighting between his troops and those of the National Army:

a. Reaffirmation of his authority to rule over his "fief";
b. Exchange of his old weapons for new ones;
c. Payment to his troops of a monthly subsidy of 8$ million.

(In respect of the third-listed condition, the President stated that Gen. HINH had paid BA CUT 7$ million monthly as a consequence of integrating several of his battalions into the National Army. BA CUT now requests an increase in this allotment on the grounds that he now has more troops than before.)

2. The President further stated that the National Army forces opposing BA CUT have suffered about 15 killed and 50 wounded thus far. The forces comprise nine battalions.

3. The President angrily charged General RENUCCI specifically and the French operational commanders in the affected sectors generally with "sabotaging" the National Army effort to quell BA CUT's uprising. He stated that one of his officers had actually seen on RENUCCI's desk (?) a letter addressed by RENUCCI to General ELY, which advised ELY to remain aloof from any quarrels which might arise between Sect armies and the Government or the National Army. He further stated that

a. the French operational commanders have drastically limited, or in at least one instance cut off, ammunition being supplied to the National Army battalions facing BA CUT. One battalion, forexample, reported it had been allowed 15 minutes firing by the French commander. Another reported it had been refused all ammunition.

b. the French have for months and "even now continue" to supply the Sect armies, including those of BA CUT and LAM TAN NGUYEN, with munitions (including machine guns and rifles). His information is to the effect that these items have been given rather than sold.

c. French "agents" visited BA CUT two or three weeks before the fighting broke out. It is "common knowledge" among the inhabitants of the affected area that the French urged him to revolt against the Government. (One of his sources for this information was his brother, Bishop NGO DINH THUC.)

By ___ NLE Data 2-24-87

The Dwight D. Eisenhower Library

4. The President has sent his informants back to their operating areas to attempt to secure documentary or other conclusive evidence to support the foregoing information. He stated that the officer who reported the data about RENUCCI was trying, "at the risk of his life", to secure such evidence.

5. With a view to acting more effectively against BA CUT and other Sect forces in the future, the President, Defense Minister MINH, and certain Army officers are now preparing operational plans which President DIEM expects to present to you for your evaluation. These plans are not now known to the National Army General Staff, since, said the President, "if I tell them - they are French, and we know that they will immediately warn the Sects as they have in the past."

6. General TRAN VAN SOAI, Minister of State and Hoa Hao leader, has offered his services to the President as "peace-maker" in the BA CUT affair. The President has declined his offer, since to accept it would imply to the other Hoa Hao leaders acceptance by the Government of SOAI's right to speak for all Hoa Hao fractions. He considers his judgment in this matter to have been proved correct by virtue of the fact that only three days ago LAM TAN NGUYEN issued a communique blasting SOAI and denying that the latter is in any way superior to him.

The information in paragraphs 2. and 3. is not "verified", and is here reported solely to alert you to what may become an explosive situation.

WESLEY R. FISHEL

The Dwight D. Eisenhower Library